

March 29, 2001

NATIONAL RECOVERY AUDIT FOR NON-VA HOSPITAL SERVICES

1. PURPOSE: This Veterans Health Administration (VHA) Directive authorizes the Network's Non-Department of Veterans Affairs (VA) Care Coordinator to appoint non-VA Care field station contacts.

2. BACKGROUND

a. Public Law 106-74, The Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 2000, included language that states: "The Department shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payment for hospital care; and, notwithstanding 31 U.S.C. 3302(b), amounts collected, by setoff or otherwise, as the result of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under this heading and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor."

b. The scope of this audit includes any payment made for non-VA inpatient related services from Fiscal Year (FY) 1995 through FY 2000. The contract was awarded to Abacus Technology Corporation (ATC) who in partnership with Foundation Federal Health Service (FHFS) began the post-payment audits March 1, 2001.

3. POLICY: It is VHA policy that each Network's Non-VA Care Coordinator, as established by the Network Non-VA Care Coordinators memorandum dated November 1, 2000, is authorized to appoint, as applicable, a non-VA care field station contact in order to facilitate and assist with all administrative aspects of the non-VA fee care audit process provisions as outlined in Public Law 106-74.

4. ACTION

a. The Network Non-VA Care Coordinator must ensure that a complete and updated list of the applicable field station's non-VA care contacts are maintained and forwarded to Contracting Official Technical Representative (COTR), Health Administration Center @ Thomas.Wayburn@med.va.gov,

NOTE: *The non-VA care field station contact may be a collateral assignment.*

b. The non-VA care field station contact has the responsibility for, but is not limited to: (see Att. A for process):

(1) Coordinating with both VA and non-VA authorized personnel in the audit process.

(2) Providing liaison support for the Network Non-VA Care Coordinator, VHA Headquarters, and the COTR, Health Administration Center, Denver, CO.

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(3) Providing Foundation Health Federal Services' Diagnostic Resource Group (DRG) and the Recoupment Unit with copies, as requested and identified by written correspondence, the complete fee-basis file for the dates of service identified for review.

(4) Providing the requested copies within 45 days of receipt of request.

(5) Providing notification of the unavailability of requested documents and/or material.

NOTE: *VA is not required to obtain information from an external source to satisfy the contractor request.*

(6) Providing, upon request, documentation outlining the specific payment scenario and the reimbursement amount for each requested case.

(7) Providing, upon request, recalculation for those cases originally paid as an inpatient DRG and subsequently found to be outpatient observation, based on the applicable payment methodology.

5. REFERENCES: Public Law 106-74, The Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 2000.

6. FOLLOW-UP RESPONSIBILITY: Director, Health Administration Service (10C3) is responsible for the content of the Directive. Questions are directed to the Health Administration Program Specialist, at 202-273-8307.

7. EXPIRATION DATE: This VHA Directive will be rescinded on February 28, 2004.

S/ Tom Sanders for
Thomas L. Garthwaite, M.D.
Under Secretary for Health

Attachment

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ATTACHMENT A

**PROCESSING REQUESTS FOR SUPPORTING VA MEDICAL AND CLAIMS
PAYMENT DOCUMENTATION**

1. Public Law 106-74 requires the Department of Veterans Affairs (VA) to conduct by contract a post-payment audit of fee basis and other medical service contracts with respect to payment for hospital care. The scope of the audit includes any payment during Fiscal Year 1995 through Fiscal Year 2000. This contract was awarded to Abacus Technology Corporation who in partnership with Foundation Federal Health Service (FHFS) will conduct the post-payment audits. The contractor will require medical documentation from selected fee basis files relating to identified fee payments associated with the conduct of the audit.

2. Each Veterans Integrated Services network (VISN) has a designated Network Non-VA Care Coordinator and this person is responsible for receiving all medical record requests, and monitoring and tracking the requests for action and timeliness of response. In addition, the Network Non-VA Care Coordinator tasks the appropriate VA facility with supplying the requested information directly back to the contractor.

3. Each VA medical center has a designated non-VA care field station representative. This person is responsible for ensuring that requested documentation and information from VA files is provided to the contractor within 45 days of its request. **NOTE:** *VA is not required to obtain information from an external source to satisfy a contractor documentation request ; however the contractor must be notified of any unavailable documentation.*

4. The following process has been designed to facilitate medical documentation requests and disclosures to the "Contractor Request for Documentation:"

a. The Contractor must submit an electronic request for supporting documentation to the designated VISN Network Non-VA Care Coordinator.

b. The request is sorted by veteran and may contain multiple episodes of care listings.

c. Each request must include the following information:

(1) A preamble with the following wording: *"As authorized by VA contract GS-23F-0188K, VA Recovery Audit Contract, the following documentation is needed to complete the post-payment audit for the identified veteran. The Contractor acknowledges and agrees that the Privacy Act of 1974, Public Law 93-579, and the regulations and general instructions issued by VA pursuant thereto are applicable to this request, as required by the contract in Section C-8, Security. The documentation provided by VA in the conduct of this audit will not be disclosed to any other third party unless authorized by VA.*

(2) The request will contain the following identifying information listed by veteran:

(a) Veteran's last name and first name.

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(b) Veteran's social security number.

(c) Date of admission and date of discharge.

(d) Identification of health care provider.

(3) The request will state the information required to successfully conduct the post-payment audit for the episode of care which may include:

(a) Billing documentation (e.g., (UB) Form 92, Health Care Financing Administration (HCFA) Form 1500)

(b) VA authorization (days of care authorized, disposition)

(c) VA Diagnostic Resource Group (DRG) pricer data.

(d) All medical documentation submitted by the health care provider in support of the claim.

(e) VA payment record (Veterans Health Information Systems and Technology Architecture (VistA) fee basis data input to pricer grouper and payment authorization, including amount of payment and check number.

(f) The VA record of collection actions regarding payment of the claim, if applicable.

(g) Any other specific information.

(4) The request must include the requester's full name, title, organization, e-mail address, and telephone and facsimile number.

NOTE: Any request submitted without the preceding cited information will not be honored.

5. The Network Non-VA Care Coordinator will, upon receipt of the contractor's request for supporting documentation, direct the request to the designated Non-VA Care field station contact. The request is to be controlled and maintained to ensure that the requested documentation is provided to the contractor within 45 days of receipt. At a minimum, the following data elements must be included:

a. Date the request is received.

b. Date the documentation is provided to the Contractor.

6. The Non-VA Care field station contact, upon receipt of the request for information will:

a. Locate, identify, and copy the requested documents. The documents will be mailed to the Contractor with a printout of the request to:

Foundation Health Federal Services
DRG/Recoupment Unit, 1st Floor
2025 Aerojet Road
Rancho Cordova, CA 95742-6401

- b. Record the disclosure in accordance with VA's Privacy Act policy. A copy of the documents will be maintained in the veteran's consolidated health record.
 - c. Inform the Contractor if the requested documentation is not available.
 - d. Reply to the request message with a copy to the Network Non-VA Care Coordinator with the date and content of the disclosure.
7. Questions may be referred to the COTR, Health Administration Center at (303) 331-7507.